

**PROCEEDINGS BEFORE THE
WASHINGTON STATE
BOARD OF ACCOUNTANCY**

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DEPT OF ENTERPRISE SERVICES

In the matter of the Certified Public
Accountant (CPA) Certificate and/or
License(s) to practice as a CPA of:

Mark Thomas Sabo, CPA,

Respondent.

NO. ACB-1332

STIPULATION AND
AGREED ORDER

The Washington State Board of Accountancy (Board) and Mark T. Sabo (Respondent)
stipulate and agree as follows:

Section 1: Procedural Stipulations

- 1.1 The Respondent understands that the State may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges although the State has not done so, in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060.
- 1.2 The Respondent understands that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's certified public accountant certificate or any individual or firm license to practice public accounting as a certified public accountant in Washington and may impose a fine plus reimbursement of the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.
- 1.3 The Respondent understands that the Respondent has the right to defend against a statement of charges by requesting a hearing and presenting evidence on the Respondent's behalf and the Respondent voluntarily waives the right to a hearing and all other rights which may be accorded to the Respondent by the Administrative Procedures

Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.

- 1.4 The Respondent wishes to expedite the resolution of this matter by means of this Stipulation and Agreed Order and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 The Respondent understands that the Stipulation and Agreed Order is not binding unless it is approved by the Board.
- 1.6 Should this Stipulation and Agreed Order be rejected by the Board and the State proceeds to issue a statement of charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter other than the consulting board member in this proceeding.
- 1.7 The parties further stipulate to the following Stipulated Facts, Conclusions of Law and Agreed Order:

Section 2: Stipulated Facts

- 2.1 At all times material hereto, Mark Thomas Sabo, the Respondent herein, has held a Certified Public Accountant (CPA) certificate (No. 20964) and individual license to practice public accounting in the state of Washington.
- 2.2 The Respondent was employed by Nelson Ventures (Nelson) from June 20, 2007, to July 29, 2011, as its Financial Officer. The Respondent's responsibilities included bookkeeping, financial advice, tax preparation for the business, and twice monthly payroll and payroll reports.
- 2.3 From about May 2008 through July 2011, the Respondent failed to withhold a total of \$8,624.32 from his paychecks for his portion of health insurance premiums, thus increasing his compensation and allowing Nelson to absorb the difference.
- 2.4 On or about July 29, 2011, Nelson eliminated the Respondent's position and terminated the Respondent due to business economic reasons.

- 2.5 On August 15, 2011, Nelson's employee, Wendy Popke (Popke), discovered that the Respondent had not been deducting the full cost of his portion of employee benefits and asked the Respondent for an explanation.
- 2.6 During a phone call with Popke on August 15, 2011, the Respondent admitted that he had indeed adjusted his employee contribution.
- 2.7 On August 23, 2011, the Respondent repaid Nelson \$9,348.56 (\$8,624.32 with 6.25% interest amortized).
- 2.8 Popke filed a police report with the Edmonds Police Department about Nelson's suspicions on August 30, 2011. The Snohomish County Prosecuting Attorney on December 29, 2011, decided to offer the Respondent the opportunity to be evaluated for their Pre-Prosecution Diversion Program.
- 2.9 On September 23, 2011, the Board requested the Respondent to provide an explanation and any responsive documents to the Board concerning the allegations of misappropriation. On October 24, 2011, the Board received a response from the Respondent dated October 19, 2011. The Respondent expressed remorse for his actions and accepted responsibility for the misappropriation of funds.
- 2.10 On March 27, 2012, the Respondent entered into a Pre-Prosecution Diversion Agreement with the Superior Court of Washington for Snohomish County. The Diversion Program stays further prosecution of proceedings in this matter until March 27, 2015, provided the Respondent fully complies with the Terms and Conditions of the agreement that include, in part, regular reporting in person to the Diversion Office, participation in counseling, performance of 100 hours of community restitution, maintaining full time, paid employment, and disclosure to clients. If the Respondent carries out all the Terms and Conditions of the agreement through March 27, 2015, the Respondent will be discharged from any further obligations under the agreement.

- 2.11 The Respondent is currently self-employed as Financial Horizons, PLLC (Business Development and CFO Services).

Based on the foregoing Stipulated Facts, the Board makes the following:

Section 3: Conclusions of Law

- 3.1 The Washington State Board of Accountancy has jurisdiction over the subject matter herein.
- 3.2 The Respondent's conduct described in Stipulated Facts 2.3 through 2.10 constitutes cause for Board discipline under RCW 18.04.295(2) and (4) and WAC 4-30-142 for violations of WAC 4-30-040 that requires a person using the CPA title to be honest, objective, and free of conflicts of interest in the performance of professional services; WAC 4-30-048 that requires a CPA to exercise due care and professional judgment in order to comply with the Professional Code of Conduct issued by the AICPA; and WAC 4-30-052 that prohibits a CPA from committing acts reflecting adversely on the CPA's fitness to represent themselves as a CPA.

Section 4: Agreed Order

Based on the Stipulated Facts and Conclusions of Law, Respondent agrees to entry of the following Order:

- 4.1 Respondent's CPA certificate and individual license to practice public in the state of Washington are hereby SUSPENDED for three years from the date this Stipulation and Agreed Order is accepted and entered by the Board.
- 4.2 Prior to and as a condition of the reinstatement of Respondent's CPA license, the Respondent must:
- 4.2.1 Submit a complete reinstatement application through the Board's online application system or on a form provided by the Board with appropriate fee(s) and satisfactory documentation to support the Respondent's completion of qualifying Continuing Professional Education (CPE) required for reinstatement under Title 4 WAC, including at least four hours of CPE in ethics and regulation applicable to

the practice of public accounting in the state of Washington, approved by the Board, and completed during the six-month period immediately preceding the Respondent's application for reinstatement.

- 4.2.2 Comply with all conditions for reinstatement as required by RCW 18.04 and Title 4 WAC in effect at the time of application for reinstatement.
- 4.2.3 Satisfy any other requirements imposed by the Board as a condition for reinstatement.
- 4.2.4 Pay a five thousand dollar (\$5,000) fine payable to the Washington State Board of Accountancy in such a manner that the Board receives it at the time or before the Respondent makes application for reinstatement.
- 4.2.5 Reimburse the Board one thousand dollars (\$1,000) for investigative and legal costs payable to the Washington State Board of Accountancy in such a manner that the Board receives it the time or before the Respondent makes application for reinstatement.
- 4.2.6 Not violate any provisions of chapters 18.04 RCW or Title 4 WAC.
- 4.3 The Respondent shall not use the designation "CPA" or "certified public accountant" or hold out as a "CPA" or "certified public accountant" unless and until the Board accepts the Respondent's requalification as a licensee. Any and all costs involved in complying with this order shall be borne by the Respondent.
- 4.4 The Board will publish the terms of this Stipulation and Agreed Order.
- 4.5 Any and all costs involved in complying with this order shall be borne by the Respondent.
- 4.6 Any violation of the terms and conditions of this Agreed Order, chapter 18.04 RCW, and/or Title 4 WAC following the date of acceptance by the Board and notification of such acceptance to the Respondent shall be grounds for denying, suspending, revoking, or refusing to renew the Respondent's certificate and/or license(s) as provided by

chapter 18.04 RCW. The terms of this Stipulation and Agreed Order apply to and resolve only the violations referred to herein.

- 4.7 Nothing in this Order precludes the Board from exercising its authority and responsibilities under chapter 18.04 RCW or Title 4 WAC. Any violations of such chapters or this Order constitute independent grounds for the denial, suspension, revocation or refusal to renew the Respondent's certificate and/or license(s).

I, **MARK THOMAS SABO**, certify that I have read this Stipulation and Agreed Order in its entirety; that I fully understand and agree to all of it, and that it may be presented to the Board without my appearance. If the Board accepts the Stipulation and Agreed Order, I understand that I will receive a signed copy.

DATED this 3rd day of April, 2012.

Mark T Sabo
Mark T. Sabo
Respondent

Section 5: Order

The Board accepts and enters this Stipulation and Agreed Order.

DATED this 12th day of April, 2012.

WASHINGTON STATE
BOARD OF ACCOUNTANCY

Donald F. Aubrey
Donald F. Aubrey, CPA
Chair